

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/15/11

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
FOR THE YEAR ENDED June 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report -----	1-2
Government- Wide Financial Statements	
Statement of Net Assets-----	4
Statement of Activities-----	5-6
Fund Financial Statements	
Governmental Funds:	
Balance Sheet -----	8-9
Reconciliation of the Governmental Fund Balance Sheet To the Government- Wide Statement of Net Assets -----	10
Statement of Revenues, Expenditures and Changes in Fund Balances -----	11-12
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances to the Statement of Activities-----	13
Notes to Financial Statements -----	12-27
Required Supplemental Information (Part B)	
Budgetary Comparison Schedules	
Title III B - Supportive Services -----	29
Title C1 - Congregate Meals -----	30
Title C2 - Home Delivered Meals -----	31

SUPPLEMENTAL INFORMATION SCHEDULES REQUIRED BY GOEA

GENERAL FUNDS

Combining Balance Sheets -----	33
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-----	34

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
FOR THE YEAR ENDED June 30, 2010

TABLE OF CONTENTS (CONTINUED)

SUPPLEMENTAL INFORMATION SCHEDULES (CONTINUED)

Page

NONMAJOR SPECIAL REVENUES FUNDS

Combining Balance Sheet -----	35-36
Combining Schedule of Revenues Expenditures and Changes in Fund Balances -----	37-38

GENERAL FIXED ASSETS

Schedule of General Fixed Assets -----	39
--	----

OTHER SUPPLEMENTAL INFORMATION -
GRANT ACTIVITY

Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> -----	40-41
Summary Schedule of Current Year Audit Findings and Management's Corrective Action Plan-----	42

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vernon Council on Aging, Inc.
Leesville, Louisiana:

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Council on Aging, Inc. as of and for the year ended June 30, 2010, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Vernon Council on Aging, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Council on Aging, Inc., as of June 30, 2010, and the respective change in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 18, 2011, on my consideration of the Vernon Council on Aging, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Vernon Council on Aging, Inc. has not presented budgetary analysis for the general fund and management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of the Vernon Council on Aging, Inc. taken as a whole. The accompanying combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Elliott & Assoc. "APAC"

Leesville, Louisiana

March 18, 2011

GOVERNMENT - WIDE FINANCIAL STATEMENTS

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
STATEMENT OF NET ASSETS
June 30, 2010

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash (Note 2)	\$ 37,449
Accounts receivable (Note 3)	40,725
Capital assets:	
Depreciable, net (Note 4)	<u>217,709</u>
<u>TOTAL ASSETS</u>	<u>\$295,883</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 4,886
Accrued expenses	11,540
Line of credit-bank (Note 5)	20,000
Current portion-note payable (Note 5)	<u>9,125</u>
Total current liabilities	<u>45,551</u>
Annual leave payable (Note 5)	27,664
Long-term debt	<u>77,141</u>
Total long-term liabilities	<u>104,805</u>
<u>TOTAL LIABILITIES</u>	<u>150,356</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	217,709
Net of Related Debt	
Unrestricted	<u>(72,182)</u>
Total Net Assets	<u>145,527</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$295,883</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED June 30, 2010

	<u>Direct</u> <u>Expenses</u>	<u>Indirect</u> <u>Expenses</u>
Function/Program Activities		
Governmental Activities:		
Health, Welfare and Social Services:		
Supportive Services:		
Homemaker	\$ 8,506	\$ 3,416
Information and Assistance	13,332	5,355
Legal Assistance	4,000	—
Outreach	7,246	2,910
Transportation	97,886	39,313
Other Services	21,317	5,210
Nutrition Services:		
Congregate Meals	80,802	30,028
Home Delivered Meals	142,897	58,397
Disease Prevention and Health Promotion	4,725	563
National Family Care giver Support	33,903	—
Senior Activities	4,023	1,456
Administration	2,261	28,593
Emergency Asst	1,034	374
DOTD - Transportation	234,834	84,972
NSIP	—	—
Total Governmental Activities	<u>\$ 656,766</u>	<u>\$ 260,587</u>

Program Income/ Charges for Services	Program Revenues		Net (Expense) Revenue and Changes In Net Assets Governmental Activities
	Operating Grants and Contributions	Capital Grants and Contributions	
\$ ---	\$ 5,505	\$ -	\$ (6,417)
---	8,629	-	(10,058)
---	1,847	-	(2,153)
---	4,690	-	(5,466)
9,801	63,356	-	(64,042)
---	12,250	-	(14,277)
---	69,793	-	(41,037)
19,655	76,293	-	(105,346)
-	4,522	-	(766)
-	33,903	-	---
--	38,939	-	33,460
-	30,854	-	---
-	---	-	(1,408)
154,518	249,180	-	83,892
<u>---</u>	<u>---</u>	<u>-</u>	<u>---</u>
<u>\$ 183,974</u>	<u>\$ 599,761</u>	<u>\$ -</u>	<u>\$ (133,618)</u>

General Revenues:

Grants and Contributions not Restricted To Specific Programs	<u>140,693</u>
Total General Revenues	<u>140,693</u>

Changes in Net Assets	7,075
Compensated Absences Adjustment	(24,178)
Net Assets - Beginning	<u>162,630</u>
Net Assets - Ending	<u>\$ 145,527</u>

FUND FINANCIAL STATEMENTS

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2010

	<u>General Funds</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 37,449	\$ --	\$ --	\$ --
Restricted Cash	--	--	--	--
Accounts Receivable	38,482	--	--	--
Prepaid expenses	--	--	--	--
<u>TOTAL ASSETS</u>	<u>\$75,931</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,643	\$ --	\$ --	\$ --
Other Accrued Expenses	11,540	--	--	--
Due to Other Funds	--	--	--	--
Total Liabilities	<u>\$ 14,183</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>FUND BALANCE</u>				
Fund Balance				
Unreserved, Reported In:				
General Fund	\$61,748	\$ --	\$ --	\$ --
Special Revenue Funds	--	--	--	--
Total Fund Balance	<u>61,748</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 75,931</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2010

<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ -----	\$ 37,449
-----	-----
2,243	40,725
-----	-----
<u>\$ 2,243</u>	<u>\$78,174</u>
\$ 2,243	\$ 4,886
-----	-----
-----	11,540
-----	-----
<u>\$2,243</u>	<u>14,183</u>
-	61,748
-----	-----
-----	<u>61,748</u>
<u>\$ 2,243</u>	<u>\$78,174</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
SUPPLEMENTAL FUNDS
JUNE 30, 2010

Total Governmental Fund Balances	\$61,748
Amount reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	217,709
Net property adjustments	---
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(86,266)
Line of credit	(20,000)
Compensated absences payable	(27,664)
Net Assets of governmental activities	<u>\$145,527</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED June 30, 2010

	<u>General Fund</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>REVENUES</u>				
Intergovernmental	\$304,327	\$ 96,277	\$ 60,322	\$ 60,869
Public Support	289,884	9,801	---	19,655
Miscellaneous	---	---	---	---
Total Revenues	<u>594,211</u>	<u>106,078</u>	<u>60,322</u>	<u>80,524</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	275,395	115,967	22,195	42,346
Fringe	29,920	13,024	2,661	5,094
Travel	---	7,191	733	1,774
Operating Services	42,486	48,002	12,383	27,009
Operating Supplies	5,002	20,307	63,387	120,408
Other Costs	---	4,000	---	---
Capital Outlay	---	---	---	---
Principal Payments	48,440	---	---	---
Interest Payments	<u>1,711</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Expenditures	<u>402,954</u>	<u>208,491</u>	<u>101,359</u>	<u>196,631</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	191,257	(102,413)	(41,037)	(116,107)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers - In	-----	102,413	41,037	116,107
Operating Transfers - Out	(192,733)	---	---	---
Loan proceeds	<u>42,000</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>(150,733)</u>	<u>102,413</u>	<u>41,037</u>	<u>116,107</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>And Other Financing Sources Over</u>				
<u>Expenditures and Other Financing Uses</u>	<u>40,524</u>	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balance, Beginning	17,036	---	---	---
Prior Period Adjustment (Note 13)	<u>4,188</u>	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balance, Beginning As Restated	<u>21,224</u>	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balance At End of Year	<u>\$ 61,748</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED June 30, 2010

Nonmajor Governmental Funds	Total Governmental Funds
\$ 156,482	\$678,277
—	319,340
—	---
<u>156,482</u>	<u>997,617</u>
21,175	477,078
2,378	53,077
679	10,377
10,434	140,314
1,314	223,779
53,677	44,316
-	-
-	48,440
-	<u>1,711</u>
<u>89,657</u>	<u>999,092</u>
<u>66,825</u>	<u>(1,475)</u>
766	260,324
(67,591)	(260,324)
---	<u>42,000</u>
<u>(66,825)</u>	<u>42,000</u>
---	<u>40,525</u>
---	17,036
---	<u>4,188</u>
---	<u>21,224</u>
<u>\$ ---</u>	<u>\$61,748</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED June 30, 2010

Net change in fund balances – total	
Governmental funds	40,525
Amounts reported for governmental activities	
in the statement of activities are different because:	
Depreciation expense is a reconciling item	(36,404)
Expenditures over the life of the assets:	
Capital asset purchases capitalized	---
Net assets retired	4,170
Repayment of debt principal is an	
expenditure in the governmental funds, but	
the repayment reduces long-term liabilities	
in the statement of net assets.	48,440
Proceeds from issuance of debt	(42,000)
Change in compensated absences	(7,656)
Change in net assets in governmental activities	<u>7,075</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED June 30, 2010

Note 1 - Nature of the Business and Summary of Significant Accounting Policies

The financial statements of the Vernon Council on Aging, Inc. have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors, and the *Louisiana Governmental Audit Guide*. The more significant to the Council's accounting policies are described below.

Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Vernon Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the Vernon Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home delivered meals, nutritional education, information services, discount services, material aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

The Vernon Council on Aging is a legally separate, non-profit, quasi-public corporation. The Council is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Council has presented its financial statements as a separate special-purpose government.

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED June 30, 2010

Financial Reporting

The Council follows the provisions of the Government Accounting Standards Board Statement, Nos. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement 34), 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* (Statement 34), and 38, *Certain Financial Statement Note Disclosures* (Statement 38). Which establish the financial reporting standards for all states and local government entities.

The accompanying government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions of behalf of the Council. The Council accounts for its funds as governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Office of Elderly Affairs Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

VERNON COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Fund Accounting (Contd.):

The Council reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. The following types of programs comprise the Council's General Fund:

Local Funds

Local funds are received from various local sources; such funds not being restricted to any special use.

PCOA (ACT 735) Funds

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60.

Section 5311 - Transportation

Section 5311 funds are provided by the United States Department of Transportation Through the Louisiana Department and Development. Funds received by the Council are based on actual operating costs of providing transportation services to rural residents within Jennings Parish. The transportation portion of in-kind contributions is an allowed cost for purposes of requesting reimbursement under this program. Because money received under this program is for reimbursement of costs previously incurred, the Council can use these funds for discretionary purposes. This is why these Section 5311 funds are recorded in the Council's general revenue funds.

VERNON COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Title III-B Supportive Services Fund

This program provides access services, in-home services, community services, legal assistance and transportation for the elderly.

The remaining nonmajor funds are as follows:

Senior Center Fund

This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community.

Nutritional Services Incentive Program (NSIP)

The NSIP program (formerly USDA) is used to account for the administration of Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that the United States food and commodities may be purchased to supplement these programs.

Title III -D Disease Prevention and Health Promotion Services

This program provides fund to develop or strengthen preventative health services and health promotion systems through designated agencies.

Social Services Contract

The Non-Emergency Medical Transportation (NEM) Fund is used to account for funds received from Medicaid for the transport of Medicaid clients to and from their medical appointments.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Title III -E National Family Care giver Support

To assist in providing multifaceted systems of support services for family care givers and grandparents or older individuals who are relative care givers.

Title III-C-1 Congregate Meals Fund

Title III-C-1 fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 2009 to June 30, 2010, the Council served about 12,821 congregate meals.

Title III-C-2 Home Delivered Meals Fund

Title III-C-2 funds is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 2009 to June 30, 2010, the Council served about 23,661 home delivered meals.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center Program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates six senior centers in Vernon Parish, Louisiana.

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit (or compilation) of the Council's financial statements.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Title III-E National Caregiver Program

The Council participates in the III-E National Caregiver program which was established recently to provide home respite service to home caregivers in the form of 96 hours of brektime per year.

Title III-D

The Title III-D Fund is used to account for funds used for disease prevention and health promotion activities such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need."

Title III-C-1 Area Agency Administration Fund

Title III-C-1 Area Agency Administration (AAA) Fund is used to account for some of the administration costs associated with operating the Special Programs for the Aging.

Title III-B Supportive Services Fund

Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

ARRA

The ARRA Fund is used to account for the American Recovery and Reinvestment Act funds that are used to increase services relating to the Title III C-1 and Title III C-2 programs.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

MIPPA

The MIPPA Fund is used to account for the Medicare Improvements for Patients and Providers Act funds that are used to reach out and inform consumers about the Medicare Part D Extra Help/Low-Income Subsidiary(LIS) and the Medicare Savings Programs(MSP).

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. Vernon Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are “passed through” the Governor’s Office of Elderly Affairs.

Funding Policies and Sources of Funds

The Council receives its monies through various methods of funding. NSIP program funds are provided through the Louisiana Governor’s Office of Elderly Affairs to help offset raw food cost in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) and Supplemental Senior Center funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, D and E programs are funded based on actual operating cost incurred.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1 and C-2 programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipt.

Budget Policy

The Council follows these procedures in establishing the budgetary data reflected in these financial statements:

The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award.

The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30th of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30).

The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amount and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Cash and Certificates of Deposit

At June 30, 2010, the book balance of the Council's bank deposits was \$37,449.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2010, are secured as follows:

Bank Balances	<u>\$ 49,925</u>
Federal Deposit Insurance	<u>\$ 49,925</u>

At June 30, 2010, all bank balances for the Council are covered by FDIC insurance and thus the Council is not exposed to custodial credit risk.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3 - Receivables

Accounts receivable at June 30, 2010, consists of the following sources:

ARRA	2,243
DOTD - Transportation	33,875
Miscellaneous	<u>\$ 538</u>
Totals	<u>\$ 40,725</u>

Note 4 - Fixed Assets

Fixed asset activity for the year ended June 30, 2010, is as follows:

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance <u>June 30, 2010</u>
Land	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
Depreciable Assets:					
Buildings	\$ 185,851	\$ -	\$ -	\$ -	\$ 185,851
Vehicles	193,329	-	-	-	193,329
Furniture & Fixtures	<u>51,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,300</u>
Totals at Historical Cost	<u>\$ 485,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,480</u>
Less Accumulated Depreciation					
For:					
Buildings	(85,564)	(6,646)	-	-	(92,210)
Vehicles	(109,503)	(24,758)	-	-	(134,261)
Furniture & Fixtures	<u>(36,300)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>(41,300)</u>
Total Accumulated Depreciation	<u>(231,367)</u>	<u>(36,404)</u>	<u>-</u>	<u>-</u>	<u>(267,771)</u>
Fixed Assets, Net	<u>\$ 254,113</u>	<u>\$(36,404)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,709</u>

Depreciation was charged to Administration activities of the Council for \$36,404.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5 - Long-Term Obligations

	Balance July 1, 2009	<u>Principal</u>		Balance June 30, 2010
		<u>Additions</u>	<u>Reductions</u>	
Mortgage Payable	<u>\$ 95,156</u>	<u>\$ —</u>	<u>\$ (8,890)</u>	<u>\$ 86,266</u>

Long-term debt consists of the following:

Mortgage payable – due in monthly installments of \$ 1,062 including interest at 4.25% - secured by building

\$86,266

The annual debt service requirements to amortize the debt outstanding follows; including interest of \$15,633.

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2011	\$ 12,744
2012	12,744
2013	12,744
2014	12,744
2015	12,744
2016-2018	<u>38,184</u>
Total	<u>\$ 101,899</u>

At June 30, 2010, the Council owed \$20,000 to a local bank at 5.25% on a line of credit totaling \$40,000.

Changes in annual leave payable are as follows:

Balance - July 1, 2009	\$ 20,008
Additions	21,433
Deletions	<u>(13,777)</u>
Balance - June 30, 2010	<u>\$ 27,664</u>

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6 - In-Kind Contributions

The Council received \$ 1,076 in various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded. The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

Note 7 - Litigation and Claims

There was no litigation pending against the Council at June 30, 2010, nor is the Council aware of any unasserted claims.

Note 8 - Transfer In (Out)

These amounts represent transfers from various funds including Act 735 State Fund and the Local Contributions Fund to various other funds to supplement current year programs: Operating transfers in and out are listed by fund for the fiscal year ended June 30, 2010:

	III-B	SR CENTER	C-1	C-2	III-D	III-E	TOTAL OUT
PCOA	\$ -	\$ -	\$ --	\$ 37,500	\$ -	--	\$ 37,500
SENIOR CENTER	33,460	-	-	-	-	-	33,460
NSIP	-	-	--	31,030	-	--	31,030
SUPPLEMENTAL	-	-	--	3,100	-	--	3,100
LOCAL	<u>68,953</u>	<u>--</u>	<u>41,037</u>	<u>44,477</u>	<u>766</u>	<u>--</u>	<u>155,233</u>
TOTAL IN	<u>\$ 102,413</u>	<u>\$ --</u>	<u>\$ 41,037</u>	<u>\$ 116,107</u>	<u>\$ 766</u>	<u>\$ --</u>	<u>\$ 260,324</u>

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, some board members were reimbursed for expenses incurred in conducting Council related activities.

Note 10 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code of 1986 and as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Council has filed all necessary tax forms through the current fiscal year ended June 30, 2010. It is also exempt from Louisiana income tax.

Note 11 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 12 - Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

Note 13 - Prior Period Adjustment

The Council's prior period fund balance was adjusted by \$4,188 to correct an understatement of general fund revenue for the prior fiscal year.

VERNON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 14 - Federal Award Programs

The Council received revenues from various federal and state grant programs that are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the *Single Audit Act Amendment of 1996* and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Institutions*. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 15 - Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

Note 16- Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Tax revenues are recognized in the year they are billed.

The taxes are based on assessed values determined by the Tax Assessor of Vernon Parish and are collected by the Vernon Parish Sheriff. The taxes are remitted to the Vernon Council on Aging net of deductions for Pension Fund Contributions.

For the year ended June 30, 2010 taxes of 1.00 mills were levied on property with net assessed valuations totaling \$120,034,000 and were dedicated to paying the administrative, operations, and maintenance expenditures for the Library.

Total taxes levied during 2010 was \$120,034 and total taxes collected for 2010 was \$120,985.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE III B - SUPPORTIVE SERVICES
FOR THE YEAR ENDED June 30, 2010

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Over
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 96,277	\$ 96,277	\$ 96,277	\$ 0
Public Support	<u>10,000</u>	<u>10,000</u>	<u>9,801</u>	<u>(199)</u>
Total Revenues	<u>106,277</u>	<u>106,277</u>	<u>106,078</u>	<u>(199)</u>
<u>Expenditures</u>				
Salaries	100,776	111,178	115,967	4,789
Fringe	12,369	12,706	13,024	318
Travel	4,844	6,615	7,191	576
Operating services	54,394	44,327	48,002	3,675
Operating Supplies	17,635	20,478	20,307	(171)
Other Costs	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
Total Expenditures	<u>194,018</u>	<u>199,304</u>	<u>208,491</u>	<u>9,187</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	<u>(87,741)</u>	<u>(93,027)</u>	<u>(102,413)</u>	<u>(9,386)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>87,741</u>	<u>93,027</u>	<u>102,413</u>	<u>9,386</u>
<u>Net Change in Fund Balance</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>Fund Balance at Beginning of Year</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE C1 - CONGREGATE MEALS
FOR THE YEAR ENDED June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 69,763	\$ 60,322	\$ 60,322	\$ —
Public Support	5,000	0	0	0
Total Revenues	69,763	60,322	60,322	0
<u>Expenditures</u>				
Salaries	19,116	22,692	22,195	(497)
Fringe	2,346	2,593	2,661	68
Travel	506	610	733	123
Operating Services	11,850	13,173	12,383	(790)
Operating Supplies	40,945	63,334	63,387	53
Other Costs	—	—	—	—
Total Expenditures	74,763	102,402	101,359	(1,043)
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(5,000)	(42,080)	(41,037)	1,043
<u>Other Financing Sources (Uses)</u>				
Transfers In	5,000	42,080	41,037	(1,043)
<u>Net Change in Fund Balance</u>	—	—	—	—
<u>Fund Balance at Beginning of Year</u>	—	—	—	—
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE C2 - HOME DELIVERED MEALS
FOR THE YEAR ENDED June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 65,532	\$ 60,869	\$ 60,869	\$ —
Public Support	<u>20,000</u>	<u>20,000</u>	<u>19,655</u>	<u>(345)</u>
Total Revenues	<u>85,532</u>	<u>80,869</u>	<u>80,524</u>	<u>(345)</u>
<u>Expenditures</u>				
Salaries	49,325	43,712	43,346	(1,366)
Fringe	6,054	4,996	5,094	98
Travel	1,373	1,771	1,774	3
Operating Services	28,676	28,606	27,009	(1,597)
Operating Supplies	78,547	120,311	120,408	97
Other Costs	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>163,975</u>	<u>199,396</u>	<u>196,631</u>	<u>(2,765)</u>
<u>Excess (Deficiency) of Revenues</u>				
Over Expenditures	<u>(78,443)</u>	<u>(118,527)</u>	<u>(116,107)</u>	<u>2,420</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>78,443</u>	<u>118,527</u>	<u>116,107</u>	<u>(2,420)</u>
<u>Net Change in Fund Balance</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>Fund Balance at Beginning of Year</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

SUPPLEMENTAL INFORMATION SCHEDULES REQUIRED BY
GOEA

VERNON COUNCIL ON AGING, INC.
LEESVILLE, LOUISIANA

GENERAL FUNDS
COMBINING BALANCE SHEETS

June 30, 2010

Programs of the General Fund

	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>General Fund</u>
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ 37,449	\$ —	\$ 37,449
Accounts Receivable	38,482	—	38,482
Prepaid expenses	<u>—</u>	<u>—</u>	<u>—</u>
<u>TOTAL ASSETS</u>	<u>\$ 75,931</u>	<u>\$ —</u>	<u>\$75,931</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$2,643	\$ —	\$ 2,643
Other Accrued Expenses	11,540	—	11,540
Line of credit-bank	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities	<u>14,183</u>	<u>—</u>	<u>14,183</u>
<u>FUND BALANCE</u>			
Unreserved and Undesignated	<u>61,748</u>	<u>—</u>	<u>61,748</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 75,931</u>	<u>\$ —</u>	<u>\$75,931</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA

GENERAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED June 30, 2010

		<u>Programs of the General Fund</u>	
	<u>Local</u>	<u>PCOA</u> <u>(Act 735)</u>	<u>Total</u> <u>General Fund</u>
<u>Revenues</u>			
Property tax revenues	\$ 120,985	----	\$ 120,985
Intergovernmental	17,647	\$37,500	55,147
Find Work revenue	47,119	—	47,119
Fund Raising revenue	46,151	—	46,151
Contributions	13,651	—	13,651
Section 18 Income	249,180	—	249,180
Miscellaneous	<u>61,972</u>	<u>—</u>	<u>61,972</u>
Total Revenues	<u>556,711</u>	<u>37,500</u>	<u>594,211</u>
<u>Expenditures</u>			
Salaries	275,395	—	275,395
Fringe	29,920	---	29,920
Operating Services	42,486	—	42,486
Operating Supplies	5,002	---	5,002
Capital Outlay	---	—	---
Principal Payments	48,440	—	48,440
Interest Payments	<u>1,711</u>	<u>—</u>	<u>1,711</u>
Total Expenditures	<u>402,954</u>	<u>---</u>	<u>402,954</u>
<u>Excess of Revenues Over</u> <u>Expenditures</u>	<u>153,757</u>	<u>37,500</u>	<u>191,257</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(155,233)	(37,500)	(192,733)
Loan Proceeds	<u>42,000</u>	<u>---</u>	<u>42,000</u>
Total Other Financing Sources (Uses)	<u>(113,233)</u>	<u>(37,500)</u>	<u>(150,733)</u>
<u>Excess of Revenues and Other Financing</u> <u>Sources Over Expenditures</u> <u>and Other Financing Uses</u>	<u>40,524</u>	<u>—</u>	<u>40,524</u>
<u>Fund Balance at Beginning of Year</u>	17,036	---	17,036
<u>Prior Period Adjustment (Note 13)</u>	4,188	---	4,188
<u>Fund Balance, Beginning as Restated</u>	<u>21,224</u>	<u>---</u>	<u>21,224</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$61,748</u>	<u>\$ —</u>	<u>\$61,748</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2010

	<u>Senior Center</u>	<u>Title III D Disease Prevention</u>	<u>Title III E Caregiver</u>
<u>ASSETS</u>			
Cash & Cash Equivalent	\$ —	\$ —	\$ ---
Receivables	<u> —</u>	<u> ---</u>	<u> ---</u>
<u>TOTAL ASSETS</u>	<u>\$ —</u>	<u>\$ ---</u>	<u>\$ ---</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ —	\$ —	\$ ---
Due to Other Funds	<u> —</u>	<u> ---</u>	<u> ---</u>
Total liabilities			<u> ----</u>
Fund Balances:			
Unreserved	<u> —</u>	<u> —</u>	<u> —</u>
Total Fund Balances	<u> —</u>	<u> —</u>	<u> —</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ —</u>	<u>\$ ---</u>	<u>\$ ---</u>

Audit	Supplemental		Total
<u>Funds</u>	<u>Senior Center</u>	<u>ARRP</u>	Nonmajor Special Revenue <u>Funds</u>
\$ —	\$ ---	\$ ----	\$ ----
<u>---</u>	<u>---</u>	<u>2,243</u>	<u>2,243</u>
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 2,243</u>	<u>\$ 2,243</u>
\$ —	\$ ---	\$ 2,243	\$2,243
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>---</u>	<u>---</u>	<u>2,243</u>	<u>2,243</u>
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 2,243</u>	<u>\$2,243</u>

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED June 30, 2010

	Senior Center	Title III D Disease Prevention	Title III E Caregiver
<u>REVENUES</u>			
Intergovernmental:			
Governor's Office of			
Elderly Affairs	\$ 38,939	\$ 4,522	\$ 33,903
Public Support:			
Client Contributions	—	—	—
Total Public Support	—	—	—
Total Revenues	38,939	4,522	33,903
<u>EXPENDITURES</u>			
Current:			
Salaries	4,393	1,531	0
Fringe	493	172	0
Travel	32	11	0
Operating Services	497	173	0
Operating Supplies	63	22	0
Other Costs	—	3,379	33,903
Total Current Expenditures	5,478	5,288	33,903
Capital Outlay	—	—	—
Total Expenditures	5,478	5,288	33,903
<u>Excess (Deficiency) of</u>			
<u>Revenues Over Expenditure</u>	33,461	(766)	---
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	---	766	0
Operating Transfers - Out	(33,461)	—	—
Total Other			
Financing Sources (Uses)	(33,461)	766	0
<u>Excess of Rev. and Other Fin.</u>			
<u>Sources Over Exp. and Other Fin. Uses</u>	—	—	—
<u>FUND BALANCES</u>			
<u>AT BEGINNING OF YEAR</u>	—	—	—
<u>FUND BALANCES</u>			
<u>AT END OF YEAR</u>	\$ —	\$ —	\$ —

<u>Audit Funds</u>	<u>Supplemental Senior Center</u>	<u>AAA</u>	<u>NSIP</u>	<u>ARRA</u>	<u>MIPPA</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,131	\$ 3,100	\$ 28,593	\$ 31,030	14,134	1,130	\$ 156,482
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>1,131</u>	<u>3,100</u>	<u>28,593</u>	<u>31,030</u>	<u>14,134</u>	<u>1,130</u>	<u>156,482</u>
<u>—</u>	<u>—</u>	15,251	<u>—</u>	<u>—</u>	<u>—</u>	21,175
<u>—</u>	<u>—</u>	1,713	<u>—</u>	<u>—</u>	<u>—</u>	2,378
<u>—</u>	<u>—</u>	636	<u>—</u>	<u>—</u>	<u>—</u>	679
<u>—</u>	<u>—</u>	9,764	<u>—</u>	<u>—</u>	<u>—</u>	10,434
<u>—</u>	<u>—</u>	1,229	<u>—</u>	<u>—</u>	<u>—</u>	1,314
<u>1,131</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>14,134</u>	<u>1,130</u>	<u>53,677</u>
1,131	---	28,593	---	14,134	1,130	89,657
<u>—</u>	<u>---</u>	<u>28,593</u>	<u>---</u>	<u>14,134</u>	<u>1,130</u>	<u>89,657</u>
<u>---</u>	<u>---</u>	<u>—</u>	<u>31,030</u>	<u>---</u>	<u>---</u>	<u>66,825</u>
<u>---</u>	<u>3,100</u>	<u>—</u>	<u>—</u>	<u>---</u>	<u>---</u>	<u>766</u>
<u>—</u>	<u>(3,100)</u>	<u>—</u>	<u>(31,030)</u>	<u>---</u>	<u>---</u>	<u>(67,591)</u>
<u>—</u>	<u>(3,100)</u>	<u>—</u>	<u>(31,030)</u>	<u>---</u>	<u>---</u>	<u>(66,825)</u>
<u>—</u>	<u>—</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>—</u>	<u>—</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ ---</u>	<u>\$---</u>	<u>\$---</u>	<u>\$ ---</u>

GENERAL FIXED ASSET ACCOUNT GROUP

VERNON COUNCIL ON AGING, INC
LEESVILLE, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

June 30, 2010 AND 2009

	Balance June 30, 2009	Additions	Deletions	Adjustments	Balance June 30, 2010
<u>GENERAL FIXED ASSETS</u>					
Land	\$ 55,000	\$ —	\$ —	\$ —	\$ 55,000
Buildings	185,851	—	—	—	185,851
Vehicles	193,329	—	—	—	193,329
Furniture & Fixtures/Equipment	<u>51,300</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>51,300</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 485,480</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 485,480</u>
<u>INVESTMENT IN GENERAL FIXED ASSET</u>					
Property Acquired from					
General Fund	\$ 285,401	\$ —	\$ —	\$ —	\$285,401
Title III -C-1	5,000	—	(—)	—	5,000
Title III -C-2	5,000	—	(—)	—	5,000
DOTD	<u>190,079</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>190,079</u>
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 485,480</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 485,480</u>

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535

(337) 238-5135

Fax 239-2295

W. Micheal Elliott, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Vernon Council on Aging, Inc.
Leesville, Louisiana

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Council on Aging as of and for the year ended June 30, 2010, which collectively comprise the Vernon Council on Aging, Inc.'s basic financial statements, and have issued my report thereon dated February 28, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Vernon Council on Aging's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

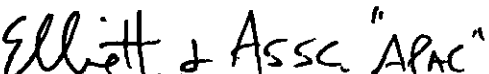
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompany schedule of current and prior year findings and management's corrective action plan that I consider to be significant deficiencies in internal control over financial reporting as items 10-1(IC) and 10-2(IC).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vernon Council on Aging's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 10-1 (C) that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


Leesville, Louisiana
March 18, 2011

VERNON COUNCIL ON AGING

Summary Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan Year ended June 30, 2010

Fiscal Year	Finding	Corrective	Name of Anticipated			
Initially	Initially	Action	Contact Completion			
<u>Ref. No.</u>	<u>Occurred</u>	<u>Description of finding</u>	<u>Taken</u>	<u>Corrective Action Planned</u>	<u>Person</u>	<u>Date</u>

CURRENT YEAR (6/30/10)—

Internal Control:

10-1(IC)	Unknown	Due to the small number of employees, the Council did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Lila Abshier, Office Admin.	N/A
10-2(IC)	2010	The Council does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Council has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Council to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Lila Abshier, Office Admin.	N/A

There are no findings for the year ended June 30, 2009.

VERNON COUNCIL ON AGING

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year ended June 30, 2010

Compliance:

10-1(C) Finding: *This audit is not being issued within the six months of the close of its June 30, 2010 fiscal year-end. This is a violation of LSA R.S. #24:513 (A) (5).*

Management response:

The Council's financial statement issuance was delayed due to the auditor's hospitalization and illness in November and December 2010.